

3. INTERNATIONAL AFFAIRS

Table 3-1. Federal Resources in Support of International Affairs
(Dollar amounts in millions)

| Function 150 | 1993 Actual | 2001 Estimate | Percent Change: 1993–2001 |
|---|----------------|------------------|---------------------------------|
| Spending: | | | |
| Discretionary budget authority ¹ | 21,194 | 22,706 | 7% |
| Mandatory outlays | –4,322 | –8,815 | 104% |
| Credit Activity: | | | |
| Direct loan disbursements | 1,943 | 2,862 | 47% |
| Guaranteed loans | 9,531 | 11,110 | 17% |
| Tax expenditures | 4,510 | 18,060 | NA |

NA=Not applicable.

¹ Excludes \$12,063 million in 1993 for an increase in the U.S. quota at the International Monetary Fund.

International affairs activities support America's critical interests by reaching key strategic goals: fostering worldwide economic growth, supporting the establishment and consolidation of democracy abroad, enhancing America's national security, improving the global environment, and addressing other key global issues, such as AIDS. The Clinton-Gore Administration capitalized upon the new post-Cold War architecture by working to expand the global economy and the benefits of globalization, supporting the liberalization of trade, and aiding countries in their transition to democracy.

Promoted Free Trade, Open Markets, and Economic Prosperity

Completed Successful Trade Negotiations—the North American Free Trade Agreement and the Uruguay Round: Strong U.S. growth over the past eight years accompanied America's increased integration into the world economy. Between 1992 and 1999, the U.S. economy, as measured by real gross domestic product, grew at an average annual rate of 3.7 percent, while real exports of goods and services increased on average by 6.8 percent per year. Imports have grown at an average annual rate of 10.6 percent per year. This

reflects both stronger growth in the United States than in the rest of the world over much of this period, and the crucial role of imports—now dominated by capital goods such as the computers and machinery—in supporting U.S. investment. Indeed, increased globalization has come at a time of rapid growth that has produced a dramatic increase in the number of new jobs and the reduction of unemployment to the lowest levels in 30 years.

These developments have been facilitated by the Administration's trade policy accomplishments, including passage of the Uruguay Round trade agreements, the North American Free Trade Agreement, and over 200 post-Uruguay Round negotiations that have yielded additional market access commitments in financial services, basic telecommunication services, and information technology. Several studies recently reviewed by the Council of Economic Advisers estimate an annual income gain to the United States of between \$27 billion and \$37 billion with full implementation of the Uruguay Round's results.

Successfully Managed Financial Crises in Mexico and Asia: Since 1993, the Administration has confronted and successfully responded to two serious financial crises that threatened to undermine regional and global

economic stability. In December 1994, the rapidly depreciating Mexican peso jeopardized the economic progress and reforms made by the government of Mexico up to that point. In response, the Administration extended up to \$20 billion in available credits through the Exchange Stabilization Fund (ExSF), and worked with the International Monetary Fund (IMF) to extend a line of credit based on the implementation of further reforms. The rapid response proved instrumental in restoring investor confidence and allowing the Mexican economy to resume growth. As a measure of this success, by January 1997, Mexico had repaid ahead of schedule all of the \$11.5 billion it drew from the facility.

A more serious crisis emerged in the fall of 1997 when the devaluation of the Thai currency began a series of currency crises in Asia that soon engulfed Malaysia, Indonesia, Philippines, and South Korea—and later Russia. This crisis, because of its size and the region's integration into the global economy, threatened the stability of the global economic and financial system. The Administration responded to this crisis by advancing steps to strengthen the international financial architecture, by maintaining open markets, by making the ExSF available as part of a secondary line of defense against further instability, and by achieving authorization and appropriation for an IMF quota increase and the establishment of the New Arrangements to Borrow (NAB). Coupled with the macroeconomic and structural reforms implemented by the Asian governments, much of the region has resumed positive growth rates in a more sustainable fashion just two years after the crisis.

Passed the International Monetary Fund Quota Increase and the New Arrangements to Borrow: In cases of severe international financial crises, the IMF plays a key role in mobilizing official assistance conditioned on policy reforms—and is the one institution situated to mobilize such substantial support quickly—and provides the predominant share of official financing needed to help stabilize the global monetary system. In September 1997, the 11th quota review resulted in a call for a 45-percent increase in the resources of the IMF to allow it to carry out its normal operations while preserving the

ability to respond to such crises in a rapidly growing and increasingly complicated world economy. In addition to the IMF quota increase, the G-7 nations proposed the creation of the New Arrangements to Borrow, which would complement the existing supplemental credit line, the General Arrangements to Borrow.

The call for an increase in available IMF resources coincided with the decade's gravest threat to the global financial and economic system, the East Asian Financial Crisis. With this event as a backdrop, the Administration requested and received authorization and appropriations for both the quota increase (\$14.5 billion) and the NAB (\$3.4 billion) in 1999. That legislation resulted in both the needed resources being made available and a bipartisan agreement on policy priorities in the IMF, which included a commitment to greater IMF transparency, resulting in the adoption of a number of reforms by the Fund. With the quota increase and credit line in hand, the IMF was able to play a critical role in responding to the crisis and help the affected countries along the path of reform and sustainable growth.

Facilitated the Continued Transition to Democracy Throughout the World

Helped Integrate Poland, Hungary, and Czech Republic into the West: The integration of Poland, Hungary, and the Czech Republic into the democratic, free-market family of nations and Western institutions such as NATO is one of the key foreign policy achievements of the past eight years. Since 1993, U.S. efforts in these countries focused on building democratic institutions and achieving economic reforms. Timely and effective U.S. assistance played a key role in their governments' efforts to privatize industries and put in place the judicial and regulatory structures needed for a market economy and a society based on the rule of law. As a result of these efforts, by 2000, these three countries had graduated from being Support for Eastern European Democracy aid recipients to becoming NATO allies, all within one decade of the dismantling of their Communist regimes.

As a measure of the success of U.S. assistance efforts, according to Freedom House, all three countries have achieved political rights and civil liberties that are roughly comparable to those found in Western Europe, with their Freedom House ratings, based on a 1 to 5 scale, improving from 4.2 in 1992 to 4.7 in 1999. Similarly, U.S. assistance in implementing economic reforms has helped all three countries develop effective market institutions and flourishing private sectors. Because their transformations have been so successful, Hungary, Poland, and the Czech Republic are among the first tier of countries that will be considered for membership in an expanded European Union.

Helped Democratic Transitions in Russia and Ukraine: Since 1993, the Administration's assistance strategy for the states of the former Soviet Union has been designed to foster their transition to democracy and market-based economies and to facilitate their integration into the larger global community, while advancing U.S. national security interests in such areas as nonproliferation and arms control. The strategy has achieved notable successes during the past eight years. In Ukraine, for example, U.S. assistance made possible Ukraine's complete denuclearization and helped develop and implement a successful privatization program for small- and medium-sized enterprises. Similar assistance efforts in Russia, particularly in the threat reduction area, have helped ensure implementation of landmark arms control treaties and ensure that weapons of mass destruction do not fall into the wrong hands. In both countries, U.S. assistance has helped promote the growth of independent media and non-governmental organizations. The transitions in Russia and Ukraine are incomplete, but both countries have made important strides toward development of democratic institutions and the rule of law. Their successful completion will depend upon continued commitment on the part of both governments to overcome challenges such as crime and corruption as well as economic inequality, combined with the implementation of effective reform programs and improvements to the investment climate.

Promoted Peace in the Middle East: During the last eight years, the United States has

been a strong and continuous supporter of the search for a comprehensive peace in the Middle East. United States diplomatic and financial support has been indispensable for progress towards peace and stability in the region. Our efforts have focused on promoting progress and stability through bilateral negotiations between Israel and the Palestinians, Syrians, and Lebanese; through supporting allied nations with diplomacy, military deployments, and security assistance; and, through regional economic development and containment of Iraq and other threats to stability in the region. U.S. assistance has contributed to and helped sustain the progress achieved as a result of the Oslo Accords, the supplementary Wye River and Sharm el Sheik agreements, the Jordanian-Israeli peace treaty, and the Camp David negotiations this past year. Most recently, the Administration submitted a request of \$750 million in supplemental 2001 funding and recommended an additional \$500 million in 2002 funding to assist those countries and parties in the Middle East that take constructive steps in the search for peace. In the current tragic circumstances of continued violence in the region, the United States has worked closely with the parties to end the violence and has supported international efforts, such as the International Fact Finding Committee, designed to diffuse tensions and restore confidence among the parties in the region.

Promoted U.S. Assistance for Plan Colombia: The U.S. assistance to Plan Colombia is a \$1.3 billion bi-partisan, integrated set of programs developed with the government of Colombia and designed to reduce the supply of drugs coming into the United States and to bring greater stability to the Andean region. This emergency supplemental appropriation was signed by the President in July 2000, and includes funding for interdiction of trafficking, eradication of illicit crops, alternative development, human rights strengthening, displaced persons, and justice system reforms in Colombia and other Andean countries. Even as implementation proceeds, the United States continues to lead efforts to encourage cooperation and contributions from the international community. Success of this program will depend upon the successful coordination of its different, inter-related facets, and upon the direction taken by Colombia's internal conflict.

Helped Democracy in Guatemala: After 36 years of civil war that led to the death of up to 200,000 people, the government of Guatemala signed a peace agreement formally ending the conflict in 1996. The peace accords established the framework for a more participatory and equitable society involving the integration into society of ex-rebels and a comprehensive restructuring of the military, justice system, tax policy, and social services.

As part of a multilateral effort to support the peace accords, the United States doubled its assistance to Guatemala, and has provided over \$110 million in Economic Support Funds since 1997 to support the implementation of the accords, the demobilization of thousands of ex-combatants, infrastructure reconstruction in war-affected areas, land titling, fiscal reform, and literacy of women. With strong multilateral support, Guatemala is now entering its fifth year of successfully implementing the peace accords. These structural reforms have started the process of transforming Guatemala into a more participatory and equitable society, but significant challenges remain. The Agency for International Development (USAID) plans to continue support for the peace process until 2003 to address remaining challenges, including continuing income disparities, land distribution issues, and civic violence.

Debt Forgiveness: In 1999, under United States leadership, the G-7 nations agreed at the Cologne summit to an initiative to provide expanded debt reduction to heavily indebted poor countries (HIPC). This initiative will provide the 33 countries likely to meet HIPC eligibility requirements with debt reduction of up to \$90 billion, or 70 percent of their total debt. For 2000 and 2001, the Congress appropriated the Administration's full request of \$545 million (\$185 million for the reduction of U.S. bilateral debt and \$360 million as a contribution to the HIPC trust fund to reduce the debt held by regional development banks) for the expanded HIPC initiative. In order to fully implement the initiative, \$375 million in additional funds will need to be appropriated in 2002 and 2003.

Many poor countries, particularly in Africa, have developed unmanageable debt burdens to official bilateral and multilateral creditors,

and the debt servicing payments to these creditors often prevent these countries from making desperately-needed social investments in poverty reduction, primary education, child immunizations and other health programs, or clean water and sanitation. In the vast majority of HIPCs, per capita Gross National Product amounts to less than \$1 per day and the average for all HIPCs is only about \$360 per year. In response to the needs of these countries, the United States proposed to expand the HIPC initiative (originally adopted in 1996) to provide deeper, broader, and faster debt reduction for more countries, contingent on economic reforms and application of savings on debt servicing to social concerns. While the Administration's efforts have been a leap forward in addressing the debt burden of poor countries, long-term success ultimately will depend in large part on whether the beneficiary countries continue the economic reforms begun under this initiative and remain committed to the alleviation of poverty and support of social programs.

Developed and Expanded Programs to Assist African Countries: The HIPC debt reduction initiative is just one of a series of measures that this Administration has undertaken during the past several years to assist sub-Saharan African countries to strengthen their economies and deal with difficult economic, social, political, and environmental conditions. These initiatives have been a response to the clear understanding that many countries in sub-Saharan Africa have failed to participate in the benefits of the growing economic globalization. Rather, these countries have failed over the past three decades to sustain positive, real, per-capita economic growth, with serious negative consequences for their populations. In addition to debt reduction, some of the key measures undertaken by the Administration to assist sub-Saharan Africa have included:

- the increase in bilateral assistance levels, and the economic, social, and political programs they support, back to past peak levels;
- the passage of the African Growth and Opportunity Act, which, by reducing U.S. tariffs on goods from sub-Saharan African

countries as well as other measures, seeks to encourage increased trade and investment between the United States and sub-Saharan African countries;

- the implementation of the Africa Trade and Investment Policy Program, which helps reform-oriented African countries to improve the enabling environment for trade and private investment;
- the provision of disaster assistance to countries seriously impacted by natural disasters, including \$160 million to respond to flooding in southern Africa in 2000; and,
- the rapid scaling up in 2000 and 2001 of broader HIV/AIDS initiatives to combat the pandemic in south and eastern Africa.

The results of these efforts are somewhat mixed—while South Africa successfully ended apartheid and Mozambique peacefully concluded its decades-long civil war, civil strife continues in Sierra Leone, the Democratic Republic of the Congo, and other countries. However, the outrage expressed by African, as well as Western, countries at the recent military coup in Cote d'Ivoire is an encouraging sign that more and more Africans expect their governments to adhere to the rule of law and improve their standards of living.

Grappled with Global Problems

Increased AIDS Awareness, Development of Preventative and Ameliorative Programs: The HIV/AIDS pandemic is the defining public health crisis of our time, which threatens to undo four decades of progress in international development. At the start of the 1990s, health experts estimated that between 15 and 20 million people would be living with HIV by the beginning of the 21st Century. Ten years later, the true magnitude of the epidemic is far more alarming: over 36 million people are living with HIV; and, HIV/AIDS prevalence among adults exceeded 20 percent in seven countries in sub-Saharan Africa. In the hardest hit African countries, infant mortality is twice as high as it would have been without AIDS.

The U.S. Government has been the world leader in responding to the global pandemic

of AIDS. Since 1993, the United States, through USAID, has dedicated over \$1.5 billion for the prevention and mitigation of this epidemic in the developing world. USAID's support was instrumental in reducing the prevalence of HIV in Uganda and Zambia and in stabilizing low HIV prevalence rates in Senegal, Philippines, and Indonesia. By 1999, however, it became apparent that international efforts to combat the HIV pandemic needed to be stepped up and the U.S. Government responded. The United States' global AIDS funding has increased from \$139 million in 1999 to an estimated \$455 million in 2001. These increases are focused on high-prevalence countries and low-prevalence countries at risk of impending epidemics in sub-Saharan Africa, Asia, and Latin America, where countries have been selected for "rapid scale-up" and "intensive focus" under the Leadership and Investment in Fighting an Epidemic initiative. The U.S. Government effort has brought together a host of Federal agencies in the first ever Government-wide mobilization against AIDS.

Kyoto Protocol and Related Environmental Programs: Global climate change is one of the most far-reaching threats to sustainable development worldwide. As the world's number one emitter of greenhouse gasses, the United States has recognized the need to work with developing countries to stem global climate change. The Administration announced at the UN in 1997 a plan to invest \$1 billion over the next five years in programs and activities to help developing countries to reduce greenhouse gas emissions, and the 2001 appropriation funds the fourth tranche of this commitment. USAID is also addressing other critical global environmental challenges such as clean energy, natural resources management, and biodiversity conservation, for which the 2001 appropriation provides a significant increase in funding.

President Clinton signed the Kyoto Protocol in November 1998, reaffirming the Administration's commitment to work with other countries to meet the challenge of global warming. The Kyoto Protocol is an historic step forward in international efforts to address global warming, incorporating environmental targets with market-based mechanisms to minimize the cost of meeting them. However,

ratification of the Protocol requires passage by the U.S. Senate. Lasting progress in combating global warming will require ratification by the United States, as well as meaningful participation by key developing countries in addressing climate change.

Protected American Lives and Changed America's Foreign Policy Machinery

Greatly Expanded Embassy Security: As the President stated on the second anniversary of the bombing attacks on our embassies in Nairobi and Dar es Salaam on August 7, 1998, the terrorists took from us our colleagues, friends, and loved ones, but they have failed utterly to deter us from advancing our principles around the world. Addressing the security vulnerabilities of the Nation's diplomatic presence has been given the highest priority. Since the embassy bombings, the Administration has embarked upon an unprecedented program of security initiatives around the world. It initiated a long-term capital program, because it will take a multi-year effort to address these vulnerabilities and proposed advanced appropriations of \$3.4 billion over the 2002-2005 period to sustain that program. Efforts have focused on bringing our diplomatic facilities up to heightened security standards and on maintaining necessary security upgrades. These have included enhanced local guard services, physical security equipment and technical support upgrades, increased deployment of armored vehicles, increases in American security personnel, security and crisis management training, and a worldwide program to build new, secure facilities.

Through 2001, the Administration has invested about \$3 billion in this effort. These funds have been used to upgrade comprehensively the security at our overseas facilities, including enhancing the physical security at U.S. missions through construction projects, the installation of security equipment, inspecting all vehicles entering U.S. diplomatic facilities, expanding anti-terrorism assistance training to aid foreign police in combating terrorism, and hiring additional diplomatic security agents. These funds are also being used to support the initial stages of a worldwide embassy security construction program with a goal of replacing up to 220 diplomatic and consular facilities worldwide with new,

secure buildings. A major challenge currently being addressed is the need to pursue fully regional efficiencies and security planning that will have an impact on the need for overseas staffing. The results of such analysis then will be used to ensure that facility design addresses both the size and functional needs of all U.S. Government staffing needs at each location.

Enhanced the Security of U.S. Borders: The Administration has implemented a comprehensive strategy to improve the Department of State's equipment, technology systems, and support needed to carry out the vital function of U.S. border security. Major initiatives over the last eight years have included a comprehensive, worldwide upgrade of computer equipment and consular systems at the Department's overseas posts; increased data sharing with other border security and law enforcement agencies; continued improvements to the automated name checking system capabilities; expanded implementation of the Border Crossing Card program in Mexico; and, modernization of the security and delivery of U.S. passports to American citizens, including completion of the initial deployment of passport photo digitization technology. These improvements were made possible by the establishment of a new fee paid by persons seeking non-immigrant visas for travel to the United States.

Improved security has not come at the expense of customer service. To the contrary, under the Vice President's National Performance Review, reinvention goals have been met by eliminating long lines at high volume passport agencies and vastly increasing consular information and services available via the Internet. Appointment systems that allow customers to schedule a convenient time to apply for a passport are now installed at passport agencies in New York, Boston, Chicago, Houston, Los Angeles, Miami, Philadelphia, San Francisco, Seattle, Stamford, and Washington, D.C., and the Department of State has eliminated the requirement to stand in line while waiting for service by introducing customer-numbering systems. The Department of State's Consular Affairs web site (travel.state.gov) went on-line in 1996. Since then, the amount and variety of information on the site have grown enormously and it now includes downloadable passport

applications, announcements and warnings on safety abroad that are posted on the web site immediately upon approval, tips for students and travelers, and other information and services to assist Americans abroad.

Integrated the United States Information Agency (USIA) and the Arms Control and Disarmament Agency (ACDA) into the State Department: The end of the Cold War and efforts to reinvent Government provided the opportunity to seek a new approach to the conduct of foreign policy and a reorganization of foreign affairs agencies. Under the Foreign Affairs Reform and Restructuring Act of 1998, USIA and ACDA were consolidated, and the missions, personnel, and programs of these agencies were integrated into the State Department and the newly-independent Broadcasting Board of Governors, which was established as an independent executive branch agency. One year following the October 1, 1999, implementation of the Act, the integration of USIA's programs into the State Department has already strengthened U.S. foreign policy by making public diplomacy an integral component of foreign policy. ACDA's integration on April 1, 1999, has made the State Department better able to contribute to the coordination of foreign and security policy and deploy more effectively the broad tools of diplomacy to promote arms control and non-proliferation. As integration is fully implemented, the challenge remains to streamline activities and effectuate significant management improvements and resource reductions in years to come.

Provided Multilateral Solutions to Multilateral Problems

UN Reform and Arrears Clearance: The Administration, in cooperation with the Congress, has made substantial progress toward reducing U.S. arrears owed to the UN and bringing about badly needed reforms in that organization. The United States has used its influence to push for management improvements, organizational streamlining, and the budget discipline needed to ensure zero nominal growth in the UN and specialized agencies' budgets. The United Nations Reform Act of 1999 provides the foundation for this process by conditioning U.S. payments for specific arrearage amounts to the implementation of re-

forms at the UN and reductions in the U.S. assessment rate for the UN regular, peacekeeping and other specialized agencies' budgets. The Administration obtained congressional approval for \$926 million to be available upon those conditions being met. The first set of conditions was met last year, allowing an initial payment of arrears of \$100 million. As a critical element in the effort to bring about the other reforms that must be achieved prior to releasing the remaining arrearage payments, the Administration successfully concluded negotiations to establish a new scale of assessments for UN dues that will reduce the U.S. share of the UN budget and result in substantial future budgetary savings.

Expanded UN Peacekeeping: The Administration has used its leadership at the UN in support of a number of peacekeeping operations to contain flashpoints that threatened international security in Bosnia, Kosovo, East Timor, and other locations. UN peacekeeping operations have directly supported U.S. national interests by helping nurture new democracies, reducing refugee flows, and preventing small conflicts from developing into regional or international wars which would be far more costly in terms of lives and resources. The United States has been a driving force behind efforts to identify and implement reforms at the UN to improve the efficiency and efficacy of peacekeeping operations. As part of this process, the United States recently concluded negotiations with the other UN member countries to reduce the level of U.S. assessments for UN peacekeeping activities.

Non-Proliferation: The Administration supported several initiatives in the area of non-proliferation.

Enhanced Threat Reduction Initiative: Over the past eight years, the United States has provided extensive assistance to Russia and the other New Independent States (NIS) to help reduce the risk of proliferation of weapons of mass destruction and associated delivery systems, materials, technology and expertise, and to enhance regional stability. Such assistance has enabled Belarus, Kazakhstan, and Ukraine to become non-nuclear-weapons states and helped deactivate over 5,000 strategic nuclear warheads. The 1998 economic crisis in Russia and other NIS increased the risks of

weapons and weapons expertise proliferation. In response, the Administration proposed the Expanded Threat Reduction Initiative in January 1999 to accelerate and expand non-proliferation assistance to the NIS. As a result, with congressional support, over \$870 million was made available in 2000 and 2001 for high priority non-proliferation programs of the Departments of Defense, Energy, and State. These programs have enhanced nuclear material security at tens of NIS sites; provided thousands of former Soviet weapons scientists employment opportunities in peaceful research and development ventures; enhanced border controls; and provided other assistance to reduce regional and global threats. Success in continuing to reduce such threats will be dependent upon continued cooperation between Russia, the other NIS, and the West to address global security concerns raised by economic uncertainty in the region.

Korean Peninsula Energy Development Organization (KEDO): The United States has been committed to preventing the destabilizing manufacture and deployment of nuclear weapons by North Korea. Through focused diplomatic efforts, the United States and North Korea concluded in October 1994 an Agreed Framework to address concerns about the intentions of North Korea's nuclear program. Under the terms of the Agreed Framework, the United States pledged to assist North Korean civilian energy requirements—with non-proliferation safeguards—through the newly created KEDO in exchange for North Korean termination of its own nuclear program and for coming into line with international nuclear non-proliferation norms. Since the conclusion of the Agreed Framework, the United States has worked with the North Koreans toward full implementation, which has also led to improved relations between the countries, culminating in the visit of the Secretary of State to North Korea in the fall of 2000.

Other Non-Proliferation Successes: More generally, the United States has invested in major efforts over the last eight years to strengthen the international regimes aimed at curbing

weapons of mass destruction and ballistic missiles. In 1995, the Nuclear Non-Proliferation Treaty, which originally was set to last only twenty-five years, was extended indefinitely. In 1997, the Chemical Weapons Convention, which prohibits the development, production, transfer, and use of chemical weapons, entered into force following ratification by the U.S. Senate. While Senate ratification for the Comprehensive Test Ban Treaty remains to be secured, 160 countries have signed—and 67, including Russia, have ratified—this treaty prohibiting all nuclear explosions. At the same time, the United States has led the drive to strengthen both the nuclear safeguards system administered by the International Atomic Energy Agency and the constraints on biological weapons embodied in the Biological and Toxin Weapons Convention.

Responded to Humanitarian Crises

Aggressive Responses to Hurricanes Mitch and Georges: In response to Hurricanes Mitch and Georges, which devastated Central America and the Caribbean, respectively, in the fall of 1998, the U.S. Government civilian and military authorities cooperated to mount quickly and effectively one of the largest emergency relief responses to an international natural disaster in U.S. history. In the space of a few months, the United States provided supplies and food to millions of victims, as well as to effect emergency repairs to bridges, roads, and schools. In May 1999, the Congress approved the Administration's request for \$956 million in supplemental funds for the Central American and Caribbean countries affected by the hurricanes. It contained \$621 million in reconstruction assistance to replace lost housing, rehabilitate damaged schools, implement disaster mitigation and watershed restoration, and support local governments. More than \$100 million of the funding is being implemented with the cooperation of 12 other U.S. agencies including the Department of Transportation, Department of Health and Human Services, Peace Corps, and the U.S. Army Corps of Engineers.